

## BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Commission,	)	Application No. NG-0029
to conduct periodic reviews of	)	
natural gas supply purchasing	)	STATUS REPORT OF KINDER MORGAN, INC.
plans of jurisdictional utilities.	)	

### I. BACKGROUND

The Nebraska Public Service Commission ("Commission") opened this docket on June 21, 2005, in order to conduct periodic reviews of natural gas supply purchasing plans of Nebraska jurisdictional natural gas utilities. On July 12, 2005, the Commission held a workshop at which Kinder Morgan, Inc. and other jurisdictional utilities explained their respective natural gas purchasing plans. On November 8, 2005, the Commission issued an Order directing each jurisdictional utility to file a status report by November 18, 2005, regarding the quantity of natural gas in storage as of November 1, 2005, and to identify and explain any deviation from its purchasing plan filed with the Commission at the July 12, 2005 workshop.

### II. STATUS REPORT

Kinder Morgan determines annually the amount of storage service necessary to serve its local distribution customers in Nebraska, as well as the necessary upstream pipeline capacity to provide service to customers. Kinder Morgan contracts for this capacity and utilizes this storage and pipeline capacity in its Residential and Commercial Choice Gas Program ("Program") to implement its gas supply plan. Under the Program, Kinder Morgan, the utility, does not maintain or purchase the natural gas placed in storage; however, Kinder Morgan does retain the storage capacity contract (known as "No-Notice Storage Service") on the upstream pipeline system of Kinder Morgan Interstate Gas Transmission Pipeline (KMIGT). Kinder Morgan temporarily releases the storage capacity to each supplier in the Program after each Program

selection period, based on each supplier's market share. The suppliers are responsible for meeting the tariff requirements of KMITG, including storage service, and to deliver sufficient gas to Kinder Morgan's distribution system to cover the gas usage of their respective customers. The total Kinder Morgan no-notice storage contract maximum daily withdrawal quantity (MDQ) applicable to Nebraska is 48,460 MMbtu, which is then allocated to each supplier as described above. This maximum daily withdrawal quantity equates to a maximum inventory quantity of 1,806,210 MMbtu. As of November 1, 2005, the storage inventory associated with participating suppliers in the Program was at ninety-nine percent (99%), thus providing for full availability of storage gas up to the MDQ.

Kinder Morgan's executes a supplier agreement with each supplier in the Program that obligates the supplier to perform natural gas delivery and storage requirements for Kinder Morgan customers. Kinder Morgan also has the right to, and does, verify gas storage levels of each supplier with the upstream pipeline company, KMITG.

The Commission may notify the undersigned if additional information is required to complete this Status Report.

Dated this 18<sup>th</sup> day of November, 2005.

KINDER MORGAN, INC.

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